



OAG

Office of the Auditor General

Report Summary

Performance Audit

Office of Aeronautics (OA)

Michigan Department of Transportation (MDOT)

Report Number:
591-0190-22

Released:
December 2023

OA's mission is to develop and preserve a safe, high-quality Statewide air transportation system. It is divided into two sections: the Aviation Services Section and the Airport Planning and Development Section. The Aviation Services Section is responsible for licensing, inspecting, and/or registering airports, flight schools, aircraft, and aircraft dealers. OA expended \$199.7 million and \$244.5 million during fiscal years 2022 and 2023, respectively, and had 43 employees as of March 17, 2023.

Audit Objective			Conclusion
Objective 1: To assess the effectiveness of OA oversight of the public-use facilities, hospital heliports and helistops, flight schools, and aircraft registrations.			Not effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Discrepancies between the inspection summaries and inspection checklists in 5 (45%) of 11 public-use facility inspections we reviewed resulted in OA issuing 4 (80%) full operating licenses instead of provisional licenses. Also, 4 (15%) of 26 aircraft reviewed were not registered at the time of the flight school inspections (Finding 1).	X		Agrees
Six (67%) of 9 flight schools reviewed and 13 public-use facilities operated without submitting a license application during calendar year 2023. Also, 8 (20%) of 40 public-use facility license applications reviewed were not obtained or retained for calendar years 2022 and 2023 (Finding 2).	X		Agrees
Licensing standards were not met for 8 (40%) of 20 hospital heliports and helistops reviewed and 37 (38%) of 98 hospital heliports or helistops had not been inspected within the past 3 years (Finding 3).	X		Agrees
Triennial inspections were not conducted for 10 (5%) of 212 and were overdue for 34 (17%) of the remaining 202 public-use facilities. Also, triennial inspections were not conducted for 8 (12%) of 66 and were overdue for 11 (19%) of the 58 remaining flight schools (Finding 4).	X		Agrees

Findings Related to This Audit Objective (Continued)	Material Condition	Reportable Condition	Agency Preliminary Response
OA took 1 to 253 days after application submission to process the reviewed registrations for 40 aircraft (<u>Finding 5</u>).		X	Agrees
Observations Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Michigan had the third highest number of aircraft registrations and third lowest in fees collected among seven Midwestern states. Fees have not been revised since 1945 (<u>Observation 1</u>).	Not applicable for observations.		

Audit Objective			Conclusion
Objective 2: To assess the effectiveness of selected Aviation System Manager access controls.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Deficiencies existed related to approving users and removing inactive users and limiting access to the principle of least privilege over the Aviation System Manager, the database used to manage aircraft registrations (<u>Finding 6</u>).		X	Agrees

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